

Express MAIL - 2 days -  
delivered by Friday the 3rd

## BROHM MINING CORP.

June 1, 1988

Mr. and Mrs. Richard Dickmeyer  
RR #2, Box 90  
Arapahoe, Nebraska 68922

RE: Mining Lease With Option to  
Purchase Agreement ("Agreement"),  
Stanchion Lode

Dear Mr. and Mrs. Dickmeyer:

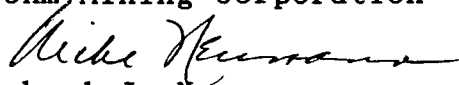
Please find enclosed two (2) Agreements covering your interest in the Stanchion patented mining claim.

I have prepared the Agreements at the request of Jeff Driscoll. The Agreement covers only your interest to the surface estate and provides that the Contract for Deed from T. Baggaley will be satisfied on or before the Closing Date (being the date we actually pay you the balance due on the \$15,000 purchase price).

Jeff also asked me to point out to you Section 6.2 (page 6), which provides, in part, that Brohm will compensate you for damage to trees.

Please call me if you have any questions. Should you find the documents satisfactory, kindly sign all copies, notarize and return both copies to my attention.

Thank you.

Sincerely,  
Brohm Mining Corporation  
  
Michael J. Neumann  
Manager - Land & Legal Dept.

MJN/dvl

enc:

South Dakota Office: P.O. Box 485, Deadwood, South Dakota 57732  
Telephone: (605) 578-2107 Telecopier: (605) 578-1709

Head Office: #1660-999 West Hastings Street, Vancouver, B.C. V6C 2W2  
Telephone: (604) 662-8383 Telex: 04-51472 P V C VCR Telecopier: (604) 684-1329

**Service Guarantee:**

If this shipment is mailed at designated USPS Express Mail service facilities on or before the specified deposit time for next day delivery to the addressee, it will be delivered to the addressee or agent by 3:00 p.m. of the next day. Upon application by the mailer at the Express Mail originating office, USPS will refund the postage for this shipment if it is not delivered by 3:00 p.m. of the next day, unless delivery was attempted but could not be made or this shipment was delayed by strike or work stoppage. See Domestic Mail Manual Chapter 2 for details.



Express Mail International Service mailings are not covered by this service guarantee. See the International Mail Manual for details.

**Insurance Coverage:**

See section 294 of the Domestic Mail Manual for exclusions of coverage.

(1) *Merchandise Insurance.* Merchandise is insured against loss, damage or rifling up to a maximum of \$500. Indemnity will not be paid for spoilage of perishable items.

(2) *Document Reconstruction Insurance.* Non-negotiable documents are insured against loss, damage or rifling up to \$50,000 per piece subject to a limit of \$500,000 per occurrence.

- Signature is required upon delivery.
- Claims for delay, loss, damage or rifling must be made within 90 days. Claim forms may be obtained at the post office of mailing.
- The Customer Receipt must be presented when a claim is filed.

**Customer:**

Please tear off this stub and keep it for reference when depositing prepaid Express Mail Next Day Service shipments in Express Mail collection boxes or when giving prepaid Express Mail Next Day Service shipments to Postal Service delivery personnel. Affix the remaining label set to your shipment. For reference, write on this stub the date that the shipment was mailed (if deposited in an Express

**Date Mailed:** 6-1-88 **Initials:** [Signature]

Mail Collection Box, also initial the stub). Deadlines for deposit for next day delivery differ according to the destination. To ensure next day delivery consult your local Express Mail Directory.

**Postal Acceptance Employee:**

After completing the "Origin" and "Acceptance" blocks on the mailing label, give this stub to the mailer along with the Customer Receipt copy.

## MINING LEASE WITH OPTION TO PURCHASE AGREEMENT

THIS MINING LEASE WITH OPTION TO PURCHASE AGREEMENT (hereinafter "Agreement") is made and effective the \_\_\_\_\_ day of June, 1988 by and between RICHARD DICKMEYER and HELENE DICKMEYER, husband and wife (hereinafter "Owner", whether one or more), whose address is RR #2, Box 90, Arapahoe, Nebraska 68922, and BROHM MINING CORPORATION, a South Dakota corporation (hereinafter "BROHM"), whose address is 20 Cliff St., P.O. Box 485, Deadwood, South Dakota 57732.

### 1.0 INTERESTS GRANTED

1.1 GRANT OF LEASE. In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, and in further consideration of the mutual covenants set forth herein, Owner does hereby grant, lease, let, give and demise to BROHM, solely for the purposes stated herein, all those certain patented mining claims situated in Lawrence County, State of South Dakota, being more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter "Premises"), together with rights hereafter acquired by Owner to the Premises. The interests leased are subject only to existing leases, rights-of-way, easements and encumbrances of record and the right of Owner to use the Premises subject to the rights granted to BROHM herein.

1.2 GRANT OF RIGHTS. Owner hereby grants to BROHM the following exclusive rights to be exercised upon and with respect to the Premises:

(a) To enter the Premises to survey, explore, prospect, drill, develop, mine, cross-mine, stockpile, remove, leach, concentrate, mill, smelt, beneficiate, process, ship, and market, without limitation, all ores, metals, minerals, tailings, concentrates, and all other mineral substances and products of every nature and character whatsoever (hereinafter "Minerals").

(b) To construct, use, maintain, repair, replace, and relocate buildings, ore bins, shafts, declines, inclines, tunnels, drifts, open pits, reservoirs, tailings ponds, waste dumps, ore stockpiles, roads, power, and communications lines, and any other structures and facilities;

(c) To use the Premises for the storage or permanent disposal of Minerals, water, waste or other materials produced from the Premises or other real property;

(d) To use all easements, means of access, and rights-of-way for ingress and egress to and from the Premises;

(e) To appropriate, develop, use, consume, drain, and dispose of all water on or appurtenant to the Premises;

(f) To use any mining method, whether or not the method is in general use at the time of the execution of this Agreement, including, without limitation, underground mining (including methods, such as block cavings, which result in the disturbance or subsidence of the surface), surface mining (including strip mining, open pit mining, and dredging), and in situ mining (including solution mining, leaching, gasifications, and liquification);

(g) To exercise all other rights which are incidental to any and all of the rights referred to herein; and

(h) To use the Premises for all of the purposes stated in this Section in conjunction with BROHM's activities on other properties.

(i) Notwithstanding anything contained herein to the contrary, Owner makes no representation that Owner owns or controls the mineral estate to the Premises nor that BROHM may mine, develop or remove Minerals from the Premises.

1.3 GRANT OF PURCHASE OPTION. In consideration of Ten Dollars (\$10.00), and in further consideration of the mutual covenants set forth herein, Owner does hereby grant to BROHM an exclusive and irrevocable option to purchase (hereinafter "Purchase Option") the Premises together with all water rights, structures, improvements, fixtures and appurtenances thereon.

## 2.0 TERM

2.1 TERM OF AGREEMENT. This Agreement is granted for an initial term of ten (10) years from the date hereof (hereinafter "Primary Term") and so long thereafter as mining, production, processing, or development is in progress on the Premises (hereinafter "Extended Term"). It is expressly agreed that unless the Purchase Option is terminated or exercised as provided herein, the grant of Purchase Option, set forth in Section 1.3, shall not extend beyond the Primary Term and shall terminate without further action at the end of the Primary Term.

## 3.0 PAYMENTS

3.1 MINIMUM PAYMENTS. BROHM shall pay to Owner the minimum payments (hereinafter "Minimum Payments"), on the dates and in the amounts set forth below. All Minimum Payments paid to Owner shall be credited against the Purchase Price as provided in Section 4.1 (PURCHASE PRICE). BROHM shall have the right to prepay any Minimum Payments. The Minimum Payments shall be in lieu of any obligation, express or implied, to explore or develop the Premises or perform any work thereon.

### MINIMUM PAYMENT SCHEDULE

<u>Amounts</u>	<u>Due Dates</u>
\$1,000.00 1988	Upon execution of this Agreement by Owner and BROHM.
\$1,000.00 89, 90, 91, 92, 93, 94, 95, 96, 97	On or before the first and each succeeding anniversary date of this Agreement.

15,000  
5,000  
6,000

3.2 PAYMENT METHOD. All payments owing to the Owner shall be paid by check or wire transfer. All payments shall be made to the Owner at the address specified above. Owner may designate a different receiving address or account consistent with Section 10.4 (NOTICE). In the event of a present or future division of ownership interest, payment to such single address or account will constitute full satisfaction of BROHM's obligation to pay minimum payments, and BROHM shall be relieved from any responsibility and liability for the division of disbursements as among the various Owners.

#### 4.0 PURCHASE OPTION

##### 4.1 PURCHASE PRICE.

(a) The purchase price for the Premises, together with all structures, improvements, fixtures and appurtenances thereon (hereinafter "Purchase Price"), shall be as follows:

FIFTEEN THOUSAND DOLLARS (\$15,000.00)

The Purchase Price shall apply notwithstanding any variation in the acreage determined by resurvey of the Premises.

(b) There shall be credited against the Purchase Price all Minimum Payments made to Owner together with all expenses incurred by BROHM pursuant to Section 5.1 (OWNER'S WARRANTIES) and Section 5.6 (TAXES). Should the payments referenced above equal the Purchase Price, BROHM shall be deemed to have exercised the Purchase Option and Owner shall convey and deliver to BROHM title to the Premises.

4.2 EXERCISE. BROHM may exercise the Purchase Option at any time during the Primary Term of the Agreement. To exercise the Purchase Option, BROHM shall either (i) deliver written notice to Owner; or (ii) have paid the Purchase Price pursuant to Section 4.1 (PURCHASE PRICE).

In the event BROHM purchases the Premises, this Agreement shall terminate upon payment of the Purchase Price and BROHM shall own all of Owner's right, title and interest and to the Premises and BROHM shall have no obligation to make any further payments under this Agreement.

4.3 CLOSING. Should the Purchase Option be exercised as provided herein, Owner shall deliver and convey to BROHM by warranty deed, in the form attached hereto as Exhibit "B", a good fee simple merchantable title to the Premises together with all water rights, structures, improvements, fixtures and appurtenances thereon, free and clear of all liens and encumbrances and subject only to rights-of-way and easements of record currently affecting the Premises.

Closing shall be accomplished at a location mutually acceptable to both parties within thirty (30) days of notice of exercise of the Purchase Option ("Closing Date"), it being expressly understood that time is of the essence.

## 5.0 OWNER'S RIGHTS, COVENANTS AND OBLIGATIONS

5.1 OWNER'S WARRANTIES. Owner covenants, warrants and represents that:

(a) Owner owns the entire undivided title and interest in and to the surface estate to the Premises, except as specifically set forth in Exhibit "A", that Owner is in possession of the Premises, that Owner has the right to enter into this Agreement, that Owner is purchasing the Premises pursuant to a Contract for Deed dated January 1, 1984 and recorded as Document No. 84-538 with the Lawrence County Register of Deeds, that Owner knows of no other person claiming any interest in the Premises or the ground covered thereby, and that the Premises is free from all liens and encumbrances, except liens for property taxes not yet due and payable. Owner further warrants to BROHM the quiet enjoyment of the Premises;

(b) BROHM may, at its discretion, take all action necessary (including judicial proceedings) to remove any cloud from or cure any defect in Owner's title to the Premises. Owner agrees to cooperate with BROHM in any such action taken. BROHM may recover from any payments thereafter to become due to Owner hereunder all costs and expenses (including attorney's fees) incurred by BROHM and Owner in any such action taken by BROHM;

(c) Owner has full power and authority to execute this Agreement;

(d) Owner knows of no violation of any applicable federal, state, regional, or county law or regulation relating to zoning, land use, environmental protection, or otherwise with respect to the Premises or activities relating thereto;

(e) Owner represents that to the best of its knowledge and belief, Owner is not aware of any current law or regulation which would prevent the performance of BROHM's rights and obligations under this Agreement;

(f) Owner represents that the Contract for Deed referenced in Section 5.1 (a) will be satisfied on or before the Closing set forth in Section 4.3.

5.2 TITLE. Upon request by BROHM, Owner shall provide BROHM with recording data with respect to deeds, easements, or other documents which bear upon Owner's title to the Premises, and shall provide BROHM with copies of all such documents and all title reports and abstracts in Owner's possession or control. Owner shall, upon BROHM's request, record any such document in Owner's possession or control which has not been recorded.

5.3 LESSER INTEREST. Without impairment of the covenants and warranties of title contained in this Agreement, if Owner owns less than the entire undivided surface estate in the Premises, all Agreement payments and the Purchase Price shall be proportionately reduced and all payments due under this Agreement will be payable to Owner only in the proportion that Owner's actual ownership interest in the Premises bears to the whole and undivided estate.

5.4 AFTER-ACQUIRED RIGHTS. If Owner acquires any right or interest in the Premises or in any property within the boundaries of the Premises while this Agreement is in effect, Owner shall promptly notify BROHM in writing of the acquisition. At BROHM's sole election, such right or interest shall become part of the Premises and subject to this Agreement, and Owner shall sign, acknowledge, and deliver to BROHM an Amendment to this Agreement and to the Memorandum of this Agreement so as to include such right or interest.

5.5 INSPECTION.

(a) Owner and its agents, employees, or personal representatives, duly authorized in writing, may inspect the activities of BROHM on the Premises during normal business hours, provided, however, that (i) such inspection shall be made upon no less than seventy-two (72) hours prior notice given to BROHM, and (ii) only under the control and direction of BROHM.

(b) Owner, in the exercise of this right, shall hold BROHM harmless from all claims for damages arising out of any death, personal injury, or property damage sustained by Owner, its agents, employees or personal representatives while in or upon the Premises, unless such death or injury arises as a direct result of the negligence of BROHM.

5.6 TAXES.

(a) While this Agreement is in effect, BROHM shall, in a timely manner, pay or reimburse Owner for all taxes, levies, or assessments occasioned by and attributable to the equipment or actions of BROHM pursuant hereto.

(b) Ad valorem taxes, assessments and levies against the Premises shall remain the responsibility of Owner through the term of this Agreement. In the event of Owner's default in payment thereof, BROHM may pay, at its sole election, such sums as may be due thereby and deduct such payment from any sums due to Owner pursuant to this Agreement. Should the Purchase Option be timely exercised, all ad valorem taxes, levies and assessments for the then-pending tax year shall be pro rated as of the Closing Date.

5.7 CONFIDENTIALITY.

(a) During the term of this Agreement, Owner shall keep all information supplied to it by BROHM or obtained through any other source whatever, concerning BROHM's exploration on the Premises, strictly confidential. Owner shall not disclose to any third person during the term of this Agreement any information, reports, data, maps, surveys, or analysis furnished it by BROHM.

(b) Owner agrees that it shall not use the name of BROHM in any document or press release or disclose any information it may obtain hereunder to third parties or to the public without first having obtained the written approval of BROHM.

(c) Owner further covenants and agrees that in the event it should acquire any knowledge or information relating to internal proprietary technique and methods used by BROHM for purposes of geological interpretation, extraction, mining, processing of minerals or any other proprietary information of BROHM, such proprietary information shall not be used by Owner, or sold,

given, disclosed or otherwise made available to third parties or to the public. This subsection shall survive and continue in full force and effect after the termination, for any reason, of this Agreement for a period of two (2) years following the date of said termination.

5.8 DATA. Upon the execution of this Agreement, Owner shall make available to BROHM all available drill core and copies of all geological, geophysical, and engineering data and maps, logs of drill holes, results of assaying and sampling, and disclose all additional data and information Owner has knowledge of which may impact BROHM's rights and obligations under this Agreement.

## 6.0 BROHM'S RIGHTS, COVENANTS AND OBLIGATIONS

### 6.1 OPERATIONS.

(a) Exploration, Mining and Other Operations. BROHM shall conduct all operations on the Premises in a good and workmanlike manner and in accordance with accepted mining practices. All decisions with respect to exploration, development and mining of the Premises shall be made by BROHM in its sole discretion.

(b) Compliance with Laws and Regulations. BROHM shall comply with all valid state, federal and local laws and regulations governing its operations on the Premises. If this Agreement is inconsistent with or contrary to any law or regulation, the law or regulation shall control and this Agreement shall be deemed to be modified accordingly.

(c) Maintenance/Roads. BROHM agrees to maintain all existing roads, camps, drillsites, and mines used by it in a good and workmanlike manner. BROHM may construct and maintain, at its own expense, any additional roads reasonably necessary or convenient for the conduct of BROHM's operations on the Premises or on other property. BROHM shall endeavor to construct any such additional roads on the Premises at a location agreeable to Owner and BROHM. All additional roads shall be constructed and maintained in such a manner as to bear the traffic necessary to BROHM's operations. Owner may use any additional road so long as its use does not interfere with BROHM's use.

(d) Tailings and Residue. All tailings and other residue resulting from BROHM's extraction, milling, processing, dumping or other operations upon the Premises shall be the sole and exclusive property of BROHM. Such tailings and other residue remaining on or in the Premises after expiration of the twelve (12) month period following termination of this Agreement shall become the property of Owner, and BROHM shall have no further right, title, interest, obligation or liability with respect thereto.

### 6.2 DAMAGES/INDEMNITY.

(a) BROHM shall pay equitable compensation to Owner for actual damages caused by its operations upon the Premises, including but not limited to, damage to crops, trees, grazing values, wells, ponds, fences, gates, roads and structures, and damage sustained by reason of injury to or loss of livestock.



(b) BROHM shall hold Owner harmless for all claims, loss, liability, liens or expense of any kind arising from or related to its activities on the Premises, excepting therefrom such claims or liability caused by the negligence or willful misconduct of Owner, its agents or employees. BROHM agrees to indemnify Owner against any such claims or liability, including all costs and reasonable attorney's fees incurred by Owner in defending against such claim or liability.

6.3 INSURANCE. BROHM shall carry at all times during the term of this Agreement workmen's compensation and other insurance required by state laws and mining regulations, or BROHM may self-insure as to such matters if it qualifies as a self-insurer under the appropriate laws and regulations.

6.4 ADVERSE CLAIMS. In case of suit, adverse claim, dispute or question, as to the ownership of the Premises or of the Minimum Payments (or any interest therein) payable under this Agreement, BROHM may, at its sole discretion, deposit the payment (or the portion of the payment in dispute, if less than the whole payment is in dispute) into an escrow account and BROHM shall not be held in default in payment thereof until such suit, claim, dispute or question has been finally disposed of. The instructions for said escrow account shall specifically include directions to the escrow agent to invest the deposited funds for maximum economic return consistent with said escrow agent's investment policy including, but not limited to, debt obligations of the United States Government, mutual investment trust funds invested primarily in obligations of the United States Government or its agencies (i.e., so-called "Money Market" Funds such as the Capital Preservation Funds), and certificates of deposits or savings accounts of any bank or savings and loan association insured by an instrumentality of the United States Government. In the event payments are deposited in an escrow account, BROHM shall be entitled to recover all escrow fees and other costs incurred by BROHM in establishing and maintaining an escrow account. Any payments so withheld shall be paid within thirty (30) days after BROHM has been furnished with the original instruments disposing of the suit, claim or dispute (or certified copies thereof), or after BROHM has been furnished with proof sufficient, in BROHM's opinion, to settle the question. If the rights or interests granted BROHM hereunder are disputed, it shall not be counted against BROHM either as affecting the term of the Agreement, which shall be extended by the period of dispute, or for any other purpose, but BROHM may not withhold any payments due Owner hereunder but may pay the same into escrow or interplead until there is a final adjudication or other determination of the dispute.

## 7.0 TERMINATION, SURRENDER AND DEFAULT

7.1 DEFAULT. If BROHM fails to comply with any of the provisions of the Agreement, and if BROHM does not initiate and diligently pursue steps to correct the default within forty-five (45) days after written notice has been given to it by Owner specifying with particularity the nature of the default, then upon the expiration of the forty-five (45) day period, all rights of BROHM under this Agreement, except as provided hereunder and in Section 7.4 (REMOVAL OF PROPERTY), shall terminate, and all liabilities and obligations of BROHM, except those liabilities existing on the date of termination, shall terminate. Any default claimed with respect to the payment of money may be cured by the deposit in escrow in the manner set

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forth in Section 6.5 (ADVERSE CLAIMS), of the amount in controversy (not including claimed consequential, special, exemplary, or punitive damages) and the giving of notice of the deposit to Owner, the amount to remain in escrow until the controversy is resolved or until there has been a final determination of the controversy by arbitrators or a court of competent jurisdiction.

Should BROHM, by notice given to Owner, dispute the existence of a default, then this Agreement shall not terminate hereunder unless BROHM does not initiate and diligently pursue steps to correct the default within forty-five (45) days after the default has been determined by a final decision of arbitrators or a court of competent jurisdiction.

7.2 TERMINATION. BROHM may, at any time, terminate this Agreement, as to all or any portion of the Premises, by delivering to Owner or by filing for record in the appropriate office (with a copy to Owner) a good and sufficient Surrender or Partial Surrender of this Agreement. Upon mailing the Surrender or Partial Surrender to Owner or to the appropriate office, all rights of BROHM under this Agreement with respect to the Premises, or portion of the Premises which was surrendered, except as provided in Section 7.4, (REMOVAL OF PROPERTY), shall terminate and all liabilities and obligations of BROHM with respect to the Premises, or portion of the Premises which was surrendered, shall terminate on the date specified in the notice (except liabilities existing on the date of termination).

7.3 RIGHTS NOT TO BE SUSPENDED. Any dispute between the parties or resolution thereof relating to this Agreement shall not interfere with nor affect any right BROHM may have under this Agreement.

7.4 REMOVAL OF PROPERTY. For a period of twelve (12) months following the termination of this Agreement, BROHM shall have the right, but not the obligation, to remove from the Premises all broken or stockpiled Minerals (subject to the obligation to pay Production Royalties provided for in this Agreement), dumps, tailings, and residue, and all buildings, structures, machinery, equipment, personal property, fixtures, and improvements owned by BROHM or erected or placed on the premises by BROHM. BROHM may keep one or more watchmen on the Premises during the twelve-month period.

## 8.0 FORCE MAJEURE

(a) BROHM's failure to perform or to comply with any of the covenants or conditions under this Agreement by a condition of Force Majeure shall not be ground for default, cancellation, termination or forfeiture of this Agreement. Force Majeure means any cause or condition beyond BROHM's reasonable control during which time failure to perform under this Agreement is caused or compliance with prevented by severe weather, explosion, unusual mining casualty, damage to or destruction of mill or mill plant facility, fire, flood, civil or military authority, insurrection, strikes, riots, fuel shortages not due to the negligence or lack of diligence by BROHM, judicial orders, litigation, governmental actions, policies, or regulations, which substantially restrict or inhibit BROHM's operations on the Mining Claims under this Agreement, inability to obtain any license, permit or other authorization that may be

required to conduct operations on the Mining Claims, acts of God or any circumstance or condition beyond the control of BROHM. Should BROHM claim the existence of a condition of Force Majeure, BROHM shall be excused from, not held liable for, such failure to perform or comply. The term of the Agreement shall be extended for an additional period equal to the duration of the period of Force Majeure. Should BROHM claim the existence of a condition of Force Majeure, it shall promptly notify Owner in writing of such occurrence, describe the estimated extent of any delays likely to result therefrom, and shall similarly so notify the Owner upon cessation of the condition of Force Majeure.

(b) In the event of a delay caused by Force Majeure, BROHM shall exercise reasonable diligence to resume its obligations and activities pursuant to this Agreement.

(c) BROHM shall have the right to determine and settle any strike, lockout, or industrial disturbance in its sole discretion, and the aforesaid requirement of exercising reasonable diligence to resume operations shall not require BROHM to accede to any demand or position of any other party involved in such strike, lockout, or industrial dispute.

(d) If, at any time during the term of this Agreement, including any extensions thereto, mining, processing, or marketing operations are determined by BROHM to be uneconomic due to unavailability of a suitable market for the ores, minerals, or other products from the Premises, prevailing costs of mining, processing, or marketing with respect to prices available for minerals, or other products from the Premises, unavailability of equipment or competent labor, or imposition of governmental statutes, requirements or regulations making it impractical to carry out such operations, BROHM shall have the right, from time to time, to temporarily discontinue operations hereunder for a cumulative period not to exceed ten (10) years. In each such event, BROHM shall, within twenty (20) days of the expiration of each lease year in which such temporary discontinuance occurs, notify Owner of the total period of each discontinuance during such year.

(e) Notwithstanding the above, BROHM shall not be excused from the obligation to make any payments arising under this Agreement.

## 9.0 ASSIGNMENT

(a) Either party may assign all or any portion of their rights under this Agreement subject to the provisions set forth below.

(b) No change or division in the ownership of the Premises or the payments provided for herein, however accomplished, shall enlarge the obligations, nor diminish the rights of BROHM. Owner covenants that any change in ownership shall be accomplished in such a manner that BROHM shall be required to make payments and to give notices to but one person, firm, or corporation. In the event Owner's interest in the Premises or payments are now or hereafter ever owned by more than one party, BROHM may withhold further payments until all such owners have designated a single party to act for all of them hereunder in all respects. No change or division in ownership shall be binding on BROHM until thirty (30) days after Owner has delivered to BROHM a certified copy of the recorded instrument evidencing the change or division.

~~(c)~~ Should BROHM assign an undivided interest in this Agreement, each holder of an undivided interest herein may separately pay to Owner the Production Royalties accruing with respect to that holder's interest in the production from the Premises. Should BROHM assign all of or an undivided interest in this Agreement, liability for default of the Agreement shall rest exclusively upon the holder of the Agreement or upon the holder of an undivided interest herein who commits the default. If this Agreement is assigned as to a segregated portion of the Premises, default by the holder hereunder of that portion shall not affect the rights of holders hereunder of any other portion.

#### 10.0 GENERAL PROVISIONS

10.1 MEMORANDUM. BROHM and Owner agree to enter into a Memorandum of this Agreement for the sole purpose of giving notice of record of the existence of this Agreement. BROHM may record the memorandum or this Agreement, or both, as it may elect.

10.2 ADDITIONAL DOCUMENTS. Owner shall provide BROHM with such additional title documents as may be necessary to carry out the purposes of this Agreement. If conditions change by reason of conveyances, assignments, or other matters relating to the title or description of the Premises, Owner and BROHM shall execute amendments to this Agreement and the Memorandum, and any other documents which may be necessary or convenient to reflect the changed conditions.

10.3 BROKERAGE. No commission or other compensation shall be claimed against BROHM on account of any finders, brokers or other agents engaged by Owner. Owner agrees to indemnify and hold BROHM harmless from and against any and all judgments, costs of suits, attorney's fees, commissions and other costs and expenses which BROHM may incur by reason of any action or claim against BROHM for commissions or other compensation by any finder, broker or other agent engaged or alleged to have engaged by Owner.

10.4 NOTICES. Any notice required or desired to be given under this Agreement shall be effective when personally served upon the party to be given such notice at the address designated below, or when deposited in the United States mail, certified return receipt requested, or registered with postage thereon fully paid, when deposited with an express courier, or transmitted by telecopier, telex or other electronic means of written communication. Until notified otherwise in writing, the addresses for such notices shall be:

Owner: Richard and Helene Dickmeyer  
RR #2, Box 90  
Arapahoe, Nebraska 68922

BROHM: Brohm Mining Corporation  
20 Cliff Street  
P.O. Box 485  
Deadwood, South Dakota 57732  
Attn: Land Department

No change in address shall be binding on the other party until thirty (30) days after notice is communicated in the above manner.

Routine or regular periodical reports and statements hereunder may be sent by regular mail so addressed.

10.5 SEVERABILITY. In the event that any court or administrative body of competent jurisdiction determines that any part, term, or provision of this Agreement is unenforceable, illegal, or in conflict with any state, federal or local law, then, such part, term, or provision shall be considered severable from the rest of the Agreement, and the remaining provisions of the Agreement shall not be thereby affected, and this Agreement shall be construed and enforced as if the Agreement did not contain such part, term or provision.

10.6 SOLE AGREEMENT. This Agreement, together with its exhibits, contains the entire agreement by and between Owner and BROHM and no oral agreement, promise, statement or representation which is not contained herein shall be binding on the parties. This Agreement shall not be modified or amended except by a writing signed by the parties hereto.

10.7 BINDING EFFECT, CONSTRUCTION AND ENFORCEMENT. All covenants, conditions, and terms of this Agreement shall be of benefit to and run with the Premises and shall bind and inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns. This Agreement shall be construed and enforced in accordance with the laws of the State of South Dakota.

10.8 TITLES. The titles to the respective sections hereof shall not be deemed a part of this Agreement but shall be regarded as having been used for convenience only.

10.9 RELATIONSHIP. Nothing contained in this Agreement shall be construed or deemed to create or constitute a joint venture, mining partnership, commercial partnership or other partnership in relation.

10.10 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original. If any person named as Owner does not execute this Agreement, it shall nevertheless be binding upon those persons executing it.

10.11 HOMESTEAD. Owner hereby releases and relinquishes any right of homestead exemption which Owner may have in the Premises or in the Minerals.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

By: \_\_\_\_\_  
Richard Dickmeyer

S.S.# \_\_\_\_\_

By: \_\_\_\_\_  
Helene Dickmeyer

S.S.# \_\_\_\_\_

BROHM MINING CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Richard Dickmeyer, known to me or satisfactorily proven to be the person whose name Richard Dickmeyer subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Helene Dickmeyer, known to me or satisfactorily proven to be the person whose name Helene Dickmeyer subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

STATE OF SOUTH DAKOTA )  
COUNTY OF LAWRENCE ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, Deborah L. VanderLaan, the undersigned officer, personally appeared Rex L. Outzen, who acknowledged himself to be the General Manager of BROHM MINING CORPORATION, a corporation, and that he, as such General Manager being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as General Manager.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

EXHIBIT "A"  
TO MINING LEASE WITH OPTION TO PURCHASE  
DATED JUNE \_\_\_\_\_, 1988  
BY AND BETWEEN  
RICHARD AND HELENE DICKMEYER  
AND  
BROHM MINING CORPORATION

LEGAL DESCRIPTION

All the surface estate to that certain patented mining claim situated in Lawrence County, South Dakota and being more particularly described as follows:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY #</u>	<u>PATENT #</u>	<u>TSHP</u>	<u>BHM RANGE</u>	<u>SECT</u>	<u>GROSS ACRES</u>
Stanchion	1941	45704	4N	4E	6:S2	10.408

Together with all dips, spurs, angles, extralateral rights, water rights and appurtenances thereto.

Initial for Identification

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(060188)



MEMORANDUM  
OF  
MINING LEASE WITH OPTION TO PURCHASE

This Agreement, effective as of the \_\_\_\_\_ day of June, 1988, is between RICHARD DICKMEYER and HELENE DICKMEYER, ("Owner," whether one or more), whose address is RR #2, Box 90, Arapahoe, Nebraska 68922 and BROHM MINING CORPORATION, a South Dakota corporation ("BROHM"), whose address is 20 Cliff Street, P.O. Box 485, Deadwood, South Dakota 57732.

Recitals

Owner represents that it is the owner of and is in possession of the surface estate to those certain mining claims situate in Lawrence County, in the State of South Dakota (the "Premises"), being more particularly described in Exhibit A attached hereto and incorporated by reference herein.

BROHM desires to obtain and Owner is willing to grant a mining lease containing an exclusive option to purchase the Premises together with all structures, improvements, fixtures and appurtenances thereon.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid to Owner, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants, agreements, and promises herein contained, the parties hereto agree as follows:

1. Lease. Owner leases the Premises to BROHM for the purpose of using the surface estate for mining, developing and beneficiating all ores, metals, minerals, tailings, concentrates, and mineral products.
2. Term. The initial term of this Agreement shall be ten (10) years from the date hereof ("Primary Term"), unless sooner surrendered or otherwise terminated, or until the earlier exercise of the option granted by the paragraph entitled "GRANT OF PURCHASE OPTION," and so long thereafter as mining, processing or development is in progress on the Premises ("Extended Term").
3. Exclusive Possession. BROHM shall have the exclusive possession of the surface estate to the Premises for mining purposes during the term of this Agreement.
4. Option. Owner grants to BROHM during the Primary Term of the Agreement the sole and exclusive option to purchase the Premises, together with all appurtenances and water rights incident thereto and all personal property thereon, free and clear of all liens and encumbrances.
5. Additional Terms. Additional terms and conditions of this Agreement are contained in an instrument of even date by and between the parties hereto. This Memorandum shall not limit, decrease, increase, or in any manner affect any of the terms of said instrument or any rights, interests, or obligations of the parties thereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

By: \_\_\_\_\_  
Richard Dickmeyer

SS# \_\_\_\_\_

By: \_\_\_\_\_  
Helene Dickmeyer

SS# \_\_\_\_\_

BROHM MINING CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Richard Dickmeyer, known to me or satisfactorily proven to be the person whose name Richard Dickmeyer subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Helene Dickmeyer, known to me or satisfactorily proven to be the person whose name Helene Dickmeyer subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

STATE OF SOUTH DAKOTA     )  
                                  ) ss.  
COUNTY OF LAWRENCE        )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1988, before me, Deborah L. VanderLaan, the undersigned officer, personally appeared Rex L. Outzen, who acknowledged himself to be the General Manager of BROHM MINING CORPORATION, a corporation, and that he, as such General Manager being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as General Manager.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

EXHIBIT "A"  
MEMORANDUM OF MINING LEASE WITH OPTION TO PURCHASE  
DATED JUNE \_\_\_\_\_, 1988  
BY AND BETWEEN  
RICHARD AND HELENE DICKMEYER  
AND  
BROHM MINING CORPORATION

LEGAL DESCRIPTION

All the surface estate to that certain patented mining claim situated in Lawrence County, South Dakota and being more particularly described as follows:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY #</u>	<u>PATENT #</u>	<u>TSHP</u>	<u>BHM RANGE</u>	<u>SECT</u>	<u>GROSS ACRES</u>
Stanchion	1941	45704	4N	4E	6:S2	10.408

Together with all dips, spurs, angles, extralateral rights, water rights and appurtenances thereto.

Initial for Identification

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(060188)

EXHIBIT "B"  
TO MINING LEASE WITH OPTION TO PURCHASE  
DATED JUNE \_\_\_\_\_, 1988  
BY AND BETWEEN  
RICHARD AND HELENE DICKMEYER  
AND  
BROHM MINING CORPORATION

DEED

RICHARD DICKMEYER and HELENE DICKMEYER, husband and wife, ("Grantor"), whose address is RR #2, Box 90, Arapahoe, Nebraska 68922, for the consideration of Ten Dollars (\$10.00) and other valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, grants, bargains, sells and conveys to BROHM MINING CORPORATION, a South Dakota corporation ("BROHM"), whose address is 20 Cliff St., P.O. Box 485, Deadwood, South Dakota 57732, the real property more particularly described in Exhibit "A" attached hereto and incorporated by reference herein ("Premises"), together with all extralateral rights, water rights and appurtenances thereto.

TO HAVE AND TO HOLD unto BROHM, its successors and assigns. Grantor will forever warrant and defend title to the Premises against all persons claiming by, through, or under Grantor.

IN WITNESS WHEREOF, Grantor has executed this Deed this \_\_\_\_\_ day of June, 1988.

GRANTOR:

By: \_\_\_\_\_  
Richard Dickmeyer

SS# \_\_\_\_\_

By: \_\_\_\_\_  
Helene Dickmeyer

SS# \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Richard Dickmeyer, known to me or satisfactorily proven to be the person whose name Richard Dickmeyer subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

(060188)

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this the \_\_\_\_\_ day of June, 1988, before me, \_\_\_\_\_, the undersigned officer, personally appeared Helene Dickmeyer, known to me or satisfactorily proven to be the person whose name Helene Dickmeyer subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[SEAL]

EXHIBIT "A"  
TO EXHIBIT "B"  
DATED JUNE \_\_\_\_\_, 1988  
BY AND BETWEEN  
RICHARD AND HELENE DICKMEYER  
AND  
BROHM MINING CORPORATION

LEGAL DESCRIPTION

All the surface estate to that certain patented mining claim situated in Lawrence County, South Dakota and being more particularly described as follows:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY #</u>	<u>PATENT #</u>	<u>TSHP</u>	<u>BHM RANGE</u>	<u>SECT</u>	<u>GROSS ACRES</u>
Stanchion	1941	45704	4N	4E	6:S2	10.408

Together with all dips, spurs, angles, extralateral rights, water rights and appurtenances thereto.

Initial for Identification

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(060188)